

EXHIBIT 3

VA 1-800-752-8979

Douglas Frost

Page 3

1 APPEARANCES:

2 For the Plaintiffs RONALD E. HOUSTON and JOSEPH

3 LOMASCOLO

4 Engstrom, Lipscomb & Lack

5 10100 Santa Monica Boulevard, 12th Floor

6 Los Angeles, CA 90067-4107

7 (310) 552-3800

8 rkinnan@elllaw.com

9 BY: Richard P. Kinnan, Esq.

10 -and-

11 Hall Sickels Frei Mims

12 12120 Sunset Hills Road, Suite 150

13 Reston, VA 20190

14 (703) 925-0500

15 gary.mims@hallandsickels.com

16 BY: Gary Brooks Mims, Esq.

17

18

19

20

21

22

Douglas Frost

Page 4

1 For the Defendants URS CORPORATION, DEWBERRY & DAVIS
2 LLC and PARTNERSHIP FOR RESPONSE and RECOVERY
3 Hunton & Williams

4 1751 Pinnacle Drive, Suite 1700

5 McLean, VA 22102

6 (703) 714-7400

7 ssayers@hunton.com, mkinney@hunton.com

8 BY: Stephen M. Sayers, Esq.

9 Michael E. Kinney, Esq.

10

11 For the Defendants PARSONS BRINCKERHOFF, INC. and
12 ALLTECH, INC.

13 Jackson Lewis LLP

14 58 South Service Road, Suite 410

15 Melville, NY 11747

16 (631) 247-0404

17 mellkw@jacksonlewis.com

18 BY: Wendy J. Mellk, Esq.

19

20

21

22

Esquire Deposition Services, LLC

DC 1-800-441-3376

MD 1-800-539-6398

VA 1-800-752-8979

Douglas Frost

Page 20

1 FEMA issues specific guidelines to PaRR to follow in
2 doing the disaster inspections; is that correct?

3 A. They do issue specific guidelines per
4 disaster, correct.

5 Q. Okay. And PaRR then ensures that its
6 inspectors follow those FEMA guidelines?

7 A. We distribute the guidelines to the inspectors
8 so they have an opportunity to look at them and make
9 sure that they complete the inspections to meet the
10 requirements of the guidelines.

11 Q. Does PaRR have a review process to ensure that
12 a completed inspection complies with the FEMA
13 guidelines?

14 A. Yes. We do review some, sometimes all, of an
15 inspector's work after FEMA receives it.

16 Q. And that's for purposes of ensuring that it
17 was done according to the FEMA guidelines?

18 A. Yes, uh-huh.

19 Q. Now, PaRR has standardized training and
20 instruction for the inspectors in terms of how to do an
21 inspection; is that correct?

22 A. Our training is really focused on how to use

Douglas Frost

Page 21

1 the equipment, the government-provided equipment that
2 is a requirement from FEMA for us to use, and then we
3 pass to our independent contractors to then use. So
4 an awful lot of the training is focused on how to
5 utilize the equipment and walk through the inspection
6 process, you know, in a general -- general approach.

7 Q. Does PaRR provide standardized training and
8 instruction both online and at various locations to its
9 independent contractors in order to be able to
10 implement the requirements of its primary contract with
11 FEMA?

12 A. One more time.

13 Q. I'm reading from your declaration.

14 A. Yeah.

15 Q. Okay. Does PaRR provide standardized training
16 and instruction both online and at various locations to
17 its independent contractors in order to be able to
18 implement the requirements of its primary contract with
19 FEMA?

20 A. Yes, it does.

21 Q. Okay. And are you at all involved in that
22 training?

Douglas Frost

Page 23

1 reporting certain information that FEMA requires to be
2 collected from applicants for federal disaster relief
3 who's -- is that correct?

4 A. Uh-huh. Yes.

5 Q. Okay. So, essentially FEMA issues guidelines
6 to PaRR for how to do -- how they want the inspections
7 to be done, correct?

8 A. That's correct.

9 Q. And PaRR then has these instructors who train
10 the inspectors to do the inspections a certain way,
11 correct?

12 A. They train the inspectors on the information
13 that's required by FEMA to be collected.

14 Q. And FEMA issues to PaRR and PaRR issues to the
15 inspectors a little hand-held computer to collect the
16 information, correct?

17 A. That's correct.

18 Q. And FEMA has in that computer its own little
19 software that has like forms and fill-in-the-blank
20 information to be collected, correct?

21 MR. SAYERS: What do you mean by little
22 software?

Douglas Frost

Page 24

1 MR. KINNAN: Very good.

2 BY MR. KINNAN:

3 Q. FEMA issues computers to PaRR to give to the
4 inspectors, correct?

5 A. That's correct.

6 Q. And there's proprietary software, FEMA's
7 proprietary software in the computer, correct?

8 A. Software called ACE is in the computer and
9 it's a very complex software, but it is software
10 nonetheless.

11 Q. And that's FEMA software?

12 A. That's correct.

13 Q. Is there any PaRR software in that computer?

14 A. There is some PaRR software in the computer,
15 yes.

16 Q. And that software is also kind of a checking
17 software to make sure that everything was collected
18 properly?

19 A. Yes, that's correct. Error checking
20 software.

21 Q. And have you ever worked with this little
22 hand-held computer issued by FEMA?

Douglas Frost

Page 27

1 A. Management Information System.

2 Q. And who -- is that the FEMA software?

3 A. No. The FEMA -- that's the basic mother -- I
4 call it mother ship of servers that we communicate to.
5 That's not -- not part of the inspection pad.

6 Q. Oh, I understand. That's the receiving end?

7 A. Correct.

8 Q. Okay. Well, can you think of anything that
9 is -- that the inspector sends over to FEMA that's not
10 through the computer and wired up?

11 A. Nothing they send to FEMA. I mean, they send
12 their inspection to FEMA.

13 Q. Right. Okay. So, to kind of summarize then,
14 the inspector goes out with this hand-held computer,
15 completes the information required by the computer and
16 the complex software and then forwards that to FEMA,
17 correct?

18 A. That's correct.

19 Q. And how does PaRR then do its job to ensure
20 that the inspection was done according to FEMA
21 guidelines?

22 A. We -- well, the error correcting software is

Douglas Frost

Page 28

1 one method.

2 Q. And how does that work?

3 A. It's a series of very complex algorithms
4 that -- that were designed by a very smart guy and I'm
5 just a dumb engineer. So I can't begin to tell you
6 how exactly it works but --

7 Q. And I'm just a dumb lawyer, so I'm not going
8 to do any algorithms. Mr. Mims, however, is an expert
9 on algorithms. (Laughs.)

10 A. The question was how do we then get the
11 inspection to review it; is that correct?

12 Q. Yes, and how do you review it to ensure that
13 it complies with the FEMA guidelines?

14 A. The way it happens is the information is
15 transmitted from the inspector to the NEMIS computer,
16 and then we have -- we, PaRR's reviewers, have the
17 opportunity to go in and selectively look at the
18 inspections, any, all or perhaps none, and we do that
19 by rights given to us from FEMA into the NEMIS system.
20 So we work in the NEMIS system.

21 Q. With respect to the standardized training for
22 the inspectors, how extensive in terms of hours is

Douglas Frost

Page 29

1 that; do you know?

2 A. Our --

3 Q. I mean --

4 A. Our training is an eight-hour kind of blitz
5 training and so it's a day-long course and we provide
6 them all over the country.

7 Q. And once you complete that course, you get a
8 certification to become an inspector?

9 A. Not necessarily. We require some testing to
10 try to make sure the person has some level of
11 appreciation for the complexity of the job.

12 Q. Okay. And in addition to that standardized
13 training, does PaRR require the inspectors to review
14 the FEMA guidelines before they start doing their
15 inspections or are they just training the inspectors in
16 what the guidelines say?

17 A. Well, the guidelines can change from disaster
18 to disaster and so there are some basic guidelines,
19 which generally we wouldn't have the time in an
20 eight-hour day to get -- to get too deep into the
21 guidelines. Guidelines are learned by experience and
22 interpretation and some of them can be very confusing,

Douglas Frost

Page 30

1 and so the guidelines are presented in each disaster
2 and there are may be subtle changes in the guidelines.

3 Q. But there is an overall, you know, book of
4 FEMA guidelines, right? It doesn't change from
5 disaster to disaster. I know that there are
6 particulars for each disaster, but there are overall
7 guidelines, correct?

8 A. There are overall guidelines.

9 Q. And those -- doesn't PaRR somehow communicate
10 to the inspectors that they're to review those before
11 they do their inspections and you can get those on
12 their Website --

13 A. Yeah.

14 Q. -- and what have you?

15 A. Yeah. We have online training modules and we
16 encourage our inspector contractors to go online and
17 work through these online modules so they can become
18 the best inspector out there when the time comes for us
19 to deploy them.

20 Q. And PaRR expects all of its inspectors to
21 complete each inspection in accordance with the
22 guidelines that are applicable to that disaster,

Douglas Frost

Page 31

1 correct?

2 MR. SAYERS: You mean the FEMA
3 guidelines or other guidelines?

4 BY MR. KINNAN:

5 Q. FEMA guidelines. Are there other guidelines?

6 A. No. There are -- there are suggestions. I
7 mean, we make suggestions to inspectors on you should
8 consider, you know, based on our top inspectors'
9 processes, we give them some -- well, I guess you could
10 call them -- well, no, you couldn't call them
11 guidelines. We just give them some suggestions on how
12 to -- how to be proficient at executing the work.

13 Q. Okay. Understood. But PaRR expects all of
14 its inspectors to complete their inspections in
15 accordance with the FEMA guidelines, correct?

16 A. Yes. Otherwise they would have an inspection
17 that failed to meet --

18 Q. That's my next --

19 A. -- the requirements of FEMA's NEMIS system and
20 so is the answer is, yes, they're expected to look at
21 the guidelines, to be familiar with the guidelines in
22 the execution of their work so they can try to get it

Douglas Frost

Page 33

1 where we do need to send it back and the inspector will
2 then go out and collect any missing information.

3 Q. Okay.

4 A. Or just provide the information whether he
5 actually goes back to do a reinspect or not. It
6 varies.

7 Q. But in any event, the object of reviewing the
8 inspection is to get it in compliance with the
9 guidelines that FEMA issued so they'll accept it and
10 they can process it?

11 A. That would be correct.

12 Q. Now, do you know generally what percentage of
13 inspections are not in compliance with the guidelines
14 and have to be reworked?

15 A. I don't know on a percentage basis. I can
16 tell you that we have a fairly large review staff, and
17 the reason we have a fairly large review staff is
18 because of the varying degree of and differences of
19 inspection work that comes up. So we spend a lot of
20 time reviewing. However, some inspectors aren't
21 reviewed at all. They just blow right on past the
22 review and right into -- into what we, you know, what

Douglas Frost

Page 35

1 BY MR. KINNAN:

2 Q. Okay. The individual inspectors are provided
3 with government-owned and government-furnished
4 hand-held portable computers and digital cameras to
5 record the results of their inspections, correct?

6 A. That's correct.

7 Q. Now, have you ever heard the phrase broadcast?
8 Is there such a thing as a broadcast during a disaster?

9 A. Yes.

10 Q. Okay. What is a broadcast?

11 A. A broadcast is general information that's sent
12 to inspectors working out in the field to alert them of
13 -- and it could be a variety of reasons -- certain
14 areas having curfews, certain areas closed by the
15 police. So that they don't waste their time trying to
16 get to an area that they can't get in. It may have --
17 it may have a change in the guidelines that FEMA issued
18 after we had issued the basic guidelines specific to
19 that disaster. It could have a request for inspectors
20 to please communicate their work. There are a variety
21 of reasons.

22 Q. And that broadcast comes from PaRR, correct?

Douglas Frost

Page 36

1 A. That's correct.

2 Q. So FEMA may ask PaRR to issue some kind of
3 change in the guidelines and then PaRR broadcasts that,
4 correct?

5 A. That's correct.

6 Q. And logistically how does this broadcast work?
7 My understanding is the inspectors are to call in a
8 certain number, phone number so many times a day and
9 then they listen to this broadcast; is that correct?

10 A. There is -- yes, there's a mailbox. Each of
11 the inspectors has a mailbox much like you would call
12 and check your voice mail. Similar.

13 Q. Does PaRR have a requirement that the
14 inspectors check that voice mail for broadcasts so many
15 times a day?

16 A. It's not a requirement. It's -- we suggest
17 that there could be changes that might affect their
18 ability to either execute more work or provide
19 information about safety issues and so they're
20 encouraged to check the broadcasts, whether there is a
21 broadcast or not, to keep up to -- up to date on any
22 new issues.

Douglas Frost

Page 39

1 serve the needs of these victims that have been
2 impacted by the disaster. They provide a very
3 important role in getting assistance to people that
4 really have had their legs cut out from under them, and
5 so the quicker they can get out and get in the field
6 and do those inspections, the quicker FEMA can send
7 those folks some -- some money. So there's a high
8 emphasis on get there, pick up your equipment and get
9 out and do your inspections.

10 Q. So, one of the guidelines from FEMA to PaRR
11 and then PaRR to the inspectors is you get an
12 inspection, you have to complete that inspection within
13 72 hours?

14 A. That's correct.

15 Q. Okay. And part of the oversight that PaRR
16 has in the field is to get them moving toward that
17 goal?

18 A. Well --

19 MR. SAYERS: Objection to the form of
20 that question. You said oversight in the field. I
21 don't think that's consistent with what his testimony
22 was.

Douglas Frost

Page 40

1 THE WITNESS: It's not oversight. It is
2 coordination.

3 BY MR. KINNAN:

4 Q. Okay. And how do you coordinate?

5 A. Well, understand that these inspectors do not
6 have possession of this equipment when -- when they go
7 to the field. They have to meet somewhere and pick up
8 the equipment so that they can then begin to do their
9 inspections. There are also last minute changes and
10 safety information that we want to convey to these
11 contractors and that information is available at the
12 field office, also.

13 Can I add something else --

14 Q. Oh, sure.

15 A. -- while you're thinking?

16 Q. Go ahead. Go ahead.

17 A. One of the things that is kind of unique about
18 this contract is that the level of capability, the
19 abilities of these inspectors varies from people that
20 are, you know, just getting their feet wet to people
21 that have done this for who knows? 20, 25 years. And
22 there is a lot of initial review assistance that we

Douglas Frost

Page 41

1 provide the new inspectors. They often are not able
2 to complete an inspection to the level of quality that
3 FEMA requires of PaRR and that we then require of the
4 independent contractors.

5 So we spend some extra time assisting them
6 with some of the areas where we've identified they may
7 have some deficiencies and some of them are very
8 deficient, and some of them just don't ever quite get
9 it. And those folks generally usually on their own
10 admission figure out that I wasn't cut out for this,
11 and they -- they request to be sent home.

12 Q. Okay. So this review assistance, how is it
13 provided? In the field or in an office or both or
14 what?

15 A. It's provided in the field. It can be
16 provided in the field as a ride-along, which you
17 mentioned earlier.

18 Q. Yes.

19 A. It could be provided in the field at our field
20 office location by what we call a team leader, and it's
21 somebody that just would sit down and walk through the
22 inspection, help -- help a new inspector understand

Douglas Frost

Page 43

1 ever want to do this again" or, you know, there's --
2 there's a thousand different reasons we're given on "I
3 don't want to go this time" or "I can't help you this
4 time."

5 Q. Well, how many inspectors are on your list for
6 any given time, generally? A hundred, a thousand,
7 10,000?

8 A. Well, we --

9 Q. How many approved inspectors?

10 MR. SAYERS: You mean currently or as of
11 the date that the complaint was filed?

12 BY MR. KINNAN:

13 Q. Both.

14 A. I'm not sure that I can -- I'm not sure that I
15 can accurately answer that for the past.

16 Q. Well --

17 A. I can tell you that under the current
18 contract, the requirement for background clearances,
19 which is a fingerprint background clearance run through
20 the FBI, has reduced the number of inspectors available
21 for us to deploy and so --

22 Q. When did that come into play?

Douglas Frost

Page 44

1 A. That came into play on the recompetete contract,
2 the current one.

3 Q. 2007?

4 A. Yeah. There was a background requirement in
5 the previous contract. However, it was not -- it was
6 not executed through FEMA like the current one. We
7 were able to use background clearance companies that
8 would go out and do background search on all the
9 inspectors, which was a requirement of the contract.
10 We had to do that and we did that.

11 Q. Well, just so we can move on, just give me
12 your best estimate as to how many?

13 A. A little over 3,000.

14 Q. 3,000?

15 A. Uh-huh.

16 MR. SAYERS: You mean as of now?

17 THE WITNESS: As of now, correct.

18 MR. SAYERS: All right.

19 BY MR. KINNAN:

20 Q. Now, did PaRR have a requirement for the
21 inspector to agree to be deployed for a certain minimum
22 number of days once they accepted the deployment?

Douglas Frost

Page 45

1 A. No, it's not a requirement. We ask them for
2 a commitment up to 30 days.

3 Q. What's the difference between a commitment and
4 a requirement? My guys say they're required and then
5 --

6 A. Well, I guess a requirement would have some
7 kind of penalty associated with it and a commitment
8 would be, you know, "You understand that you're doing
9 very important work here and these people that are out
10 there, these victims, rely on you to go out and help
11 them and that if you say you're going to go out for 30
12 days or three weeks and you don't, then, you know,
13 we're left in a position where we've got to go and find
14 somebody else who can come and finish your work."

15 And sadly, a lot of these folks come up with
16 reasons why they have to go home a week into it. We
17 had many, many inspectors that if they can't find a
18 place to stay. I mean, some of them work out of their
19 cars. Others they're -- they're quite adaptive, but
20 other inspectors have mobile, you know, mobile homes
21 and work husband/wife times. So they bring their own
22 -- their own living quarters. So, again, they vary

Douglas Frost

Page 48

1 okay?

2 Does FEMA have a requirement for a minimum
3 number of inspections per inspector per day?

4 A. They don't have a requirement. They really
5 don't.

6 Q. Does -- okay.

7 A. FEMA does not -- FEMA doesn't care how many
8 folks we put out in the field, as long as we can meet
9 the three-day turn around.

10 Q. And that involves FEMA sends to PaRR a certain
11 number of inspections and says, "We want these back in
12 three days"?

13 A. Correct.

14 Q. Okay. Does PaRR have a requirement that an
15 inspector complete a certain number of inspections per
16 day?

17 A. We have a -- we have a target and the target
18 is eight inspections.

19 Q. And how is that relayed to the inspector?
20 What is said to the inspector?

21 A. Well -- what is said to the inspector? I
22 think it's generally known that the average is eight a

Douglas Frost

Page 49

1 day and so everybody -- you would expect everybody to
2 want at least hit the average, and the average allows
3 them to make a very healthy living at this work.

4 Q. Does PaRR keep track of the time that the
5 inspector works each day in the field?

6 A. Yes.

7 Q. And how is that done?

8 A. It's recorded on the inspector's invoice to
9 PaRR. We request that they put the hours worked on
10 their invoice that they submit to PaRR.

11 Q. And when does that invoice get transmitted?

12 A. We ask them to try to send them up once a
13 week.

14 Q. And on the invoice, it requests -- what hourly
15 -- what are they asked to put in there on the invoice?

16 A. They're asked to put the number of inspections
17 that they're invoicing for, and there are a couple of
18 different types of inspections and they have slightly
19 different rates. And so, therefore, they're to record
20 X number of inspections at the agreed -- the agreed
21 contractor rate.

22 Q. Okay. That's a little different than my

Douglas Frost

Page 52

1 ahead and answer the question, sir.

2 BY MR. KINNAN:

3 Q. Well, let me ask the question. Does FEMA
4 have a guideline that inspections are not to be done
5 after dark?

6 A. They have -- yes, they do.

7 Q. Okay. And does PaRR pass that guideline on
8 to their inspectors?

9 A. Yes, we do.

10 Q. All right. Does FEMA have a guideline for
11 the latest the inspector can call the applicant to set
12 up the appointment for the next day or whenever?

13 A. I don't know if there's an actual guideline
14 for that. It's more of a common sense that, you know,
15 you shouldn't be calling people after 9 or 10 o'clock
16 at night.

17 Q. Okay. Does PaRR have a guideline don't call
18 after 9 or 10 o'clock?

19 A. Well, we pass on the common sense kind of
20 thing. You know, these victims are already
21 victimized. Don't be, you know, don't be bothering
22 them after reasonable telephone call hours, and I think

Douglas Frost

Page 53

1 most of us would agree that, you know, that's probably
2 somewhere in 10, could be 11.

3 MR. KINNAN: Let's take a five-minute
4 break if that's okay.

5 MR. SAYERS: Sure.

6 (Thereupon, a recess was taken.)

7 BY MR. KINNAN:

8 Q. Let's go back on the record.

9 Okay. There's something I want to follow up
10 on and that is that I understand that sometimes we have
11 these new inspectors and they need some -- after the
12 standardized course training in the field, they need
13 some assistance, maybe in the field or at the office
14 because it's kind of a complex process they have to go
15 through, right? We have these newbies, so to speak,
16 right?

17 A. That's correct.

18 Q. Okay. And then you have some more seasoned
19 inspectors who they just get it. They know the
20 inspection process, they do it, and they can even
21 actually bypass PaRR altogether and just send it
22 straight to FEMA and everything goes beautifully.

Douglas Frost

Page 54

1 A. That is also correct.

2 Q. Okay. So if I understand the distinction
3 between the two, you've got the same FEMA guidelines
4 and same inspection process that both of those two
5 groups of inspectors follow, correct?

6 A. They -- yeah. They're required to provide the
7 information in the computer to FEMA. All the
8 information that's required, you know, everybody has to
9 fill it out.

10 Q. So, basically the difference between the
11 newbies and the seasoned inspectors is, you know, how
12 fast they can do the inspection and how efficiently and
13 accurately they can do them?

14 A. Right. Quality, production, consistency.
15 Yes, that would be.

16 Q. Right. But the two groups are following the
17 same FEMA guidelines, the same inspection process,
18 correct?

19 A. That's correct.

20 Q. Okay.

21 A. There's a third group. Would you like to
22 know about the third group? (Laughs.)

Douglas Frost

Page 55

1 Q. Sure.

2 A. There's a group of perm padders which are --

3 Q. Ah, I missed it.

4 A. Perm, perm. P-e-r-m, perm. Short for
5 permanent. Padders.

6 Q. I know what permanent is. What's a padder?

7 A. Pad is the device.

8 Q. The computer?

9 A. Yeah.

10 Q. Permanent padders?

11 A. Right.

12 Q. What does it mean?

13 A. Well, they're a group of folks that we send
14 out, you know, directly to the disaster. They usually
15 go out on most every disaster and that's a third, you
16 know, there's -- well, they're all different, but this
17 is a group that showed proficiency in doing this work.
18 They're more reliable than some of the other folks.

19 Q. Now, we talked about the newbies and the
20 seasoned veterans doing the inspections. If I'm not
21 mistaken, they both get paid the same per inspection,
22 correct?

Douglas Frost

Page 56

1 A. They do get paid the same and all the folks in
2 between those two extremes.

3 Q. Get paid the same?

4 A. Yes.

5 Q. And can you tell me: What is it per
6 inspection they get paid? I know it changes by a few
7 cents every year or, you know, but generally what is
8 the average inspection payment for all these
9 inspectors?

10 A. \$50.

11 Q. \$50. Does --

12 MR. SAYERS: You mean currently?

13 MR. KINNAN: Well, I think we were just
14 talking in a big picture.

15 BY MR. KINNAN:

16 Q. Right?

17 A. Yeah, it's varied over the years.

18 Q. But it's around --

19 A. It's 44.60 I think in an earlier contract and
20 now it's right around \$50.

21 Q. Okay. Do the inspectors have any direct
22 communication with FEMA personnel?

Douglas Frost

Page 57

1 A. Direct communication with FEMA personnel.

2 Q. Of course in connection with the inspection.

3 A. No. On occasion, FEMA may do -- FEMA may
4 send representatives out to do quality control on an
5 inspector and so they may have, you know, that I guess
6 would constitute direct communication with FEMA because
7 they're dealing with a FEMA representative. But
8 normally, no.

9 Q. Is it accurate to say that the inspector makes
10 all on-site decisions in accordance with the guidelines
11 issued by FEMA?

12 A. I'm sorry. Could you say that again?

13 Q. Is it accurate to state that the inspector
14 makes all on-site decisions in accordance with the
15 guidelines issued by FEMA?

16 A. On-site decisions? You're going to have to
17 clarify that because I don't know what an on-site
18 decision is.

19 Q. The inspection decisions. The decisions
20 relating to the inspection.

21 A. Yes.

22 Q. And so all inspectors get the same initial

Douglas Frost

Page 58

1 training, correct?

2 A. They all get the initial training -- the same
3 initial training with the nuances that may vary from
4 instructor to instructor. That would be correct.

5 Q. Understood. And the process of completing an
6 inspection by inputting the information in the
7 computer, that doesn't change from inspection -- from
8 disaster -- one disaster to another, does it? The
9 process.

10 A. It can.

11 Q. In what way?

12 A. FEMA may put in a modification to their ACE
13 software.

14 Q. For that particular disaster?

15 A. Sometimes.

16 Q. Now, that I understand, and I think we're
17 clear on that. I think it's discussed a little bit in
18 the guidelines, but the general process is the
19 inspector at all of the disasters, whether it be a
20 flood or a tornado or a hurricane, what have you, they
21 follow the same process of conducting the inspection by
22 contact -- getting the inspection, contacting the

Douglas Frost

Page 59

1 applicant, going out introducing themselves, and then
2 turning on the computer and filling all the information
3 in that the computer asks for for that inspection and
4 sending it off to FEMA, correct?

5 A. Well, I would say that the way they execute
6 the inspection work can vary from one inspector to the
7 next inspector. I mean, they, you know, they may not
8 all make appointments the same way. They may not all
9 route their inspections the same way. In fact, they
10 have the ability to execute the work any way they see
11 fit, as long as the data that they collect meets the
12 requirements FEMA has prescribed, and we know that a
13 lot of inspectors do things differently and can still
14 end up with an acceptable inspection.

15 Q. Okay. And I understand that. Okay. But
16 the bottom line is that at any disaster in any region,
17 the inspector has to fill in all the requested
18 information that FEMA requests in that computer; is
19 that correct?

20 A. Yes, they have to fill in the required
21 information in the computer.

22 Q. And the computer just asks the questions and

Douglas Frost

Page 60

1 they are at the site and they fill it in?

2 A. Well, I wish it was that simple, but as I
3 mentioned, the computer program ACE is very complex and
4 over the years FEMA has made it even more difficult
5 because it jumps around a lot and it's -- it could be a
6 real challenge.

7 Q. Okay. But the challenge is to fill in the
8 information requested by FEMA, correct?

9 A. That's correct.

10 Q. All right. And that doesn't change from
11 region to region, disaster to disaster. Whatever FEMA
12 requests in that computer, they're supposed to fill it
13 in?

14 A. Other than the specific disaster guidelines,
15 which can be handed down right at the 12th hour and
16 sometimes after we even start working. So they
17 sometimes change one of the guidance requirements that
18 then force the inspectors to do a workaround, so that
19 they can get the information they need in order to pump
20 it out of NEMIS and create a check or not create a
21 check and the value of the check.

22 So, it's just not a simple, you know, every

Douglas Frost

Page 64

1 go to the electricity form and complete that and go to
2 the roofing form and complete that. That's -- they
3 all do that; is that correct?

4 A. If they identify, you know, if there's a
5 particular issue with one of those areas or one of
6 those trades. I guess what I'm saying is a lot of
7 them walk right past them. Don't even notice.

8 Q. Okay. And I understand that.

9 A. Okay.

10 Q. And I can appreciate that. All I'm saying is
11 that FEMA has these guidelines that all the inspectors
12 are to go out and complete a roofing form, an
13 electrical form and a deferred maintenance form and so
14 on and so forth and, hopefully, they do it well and
15 it's sufficient; is that correct?

16 A. They're all required to fill out the
17 information based upon the guidelines, and I guess -- I
18 guess my only point is that some of them may not know
19 that they're supposed to fill something out because
20 they didn't recognize it as a damage.

21 Q. Or didn't study the guidelines well enough?

22 A. No. I'm talking individual judgment of an

Douglas Frost

Page 70

1 towards an average over a week, but if you're keeping
2 pace, eight is kind of, you know, eight inspections a
3 day is kind of a reasonable expectation for an
4 inspector.

5 Q. Okay. Basically you're saying here, you
6 know, Mr. Inspector, you can do whatever you want,
7 assuming or provided you satisfactorily complete a
8 certain number inspections in a set period of time.
9 What's the certain number of inspections and what's the
10 set period of time?

11 A. Well, the expectation is that an inspector
12 could do 56 inspections in a week on that, you know,
13 eight a day.

14 Q. Uh-huh.

15 A. Now, they could do 16 inspections on one day
16 and not do any inspections the next day and do whatever
17 they want, but because it's, you know, we kind of -- we
18 just look kind of for an average and so there are some
19 days where they get more inspections. Some days where
20 they get less inspections.

21 Q. And inspectors are expected to work seven days
22 a week while they're deployed?

Douglas Frost

Page 71

1 A. You know, there's no -- there's no requirement
2 for that. These inspectors are engaged to go out
3 there and do as many inspections or as few inspections
4 as they determine that their -- that their financial
5 condition, you know, would dictate.

6 So there is a general expectation that eight a
7 day is pretty normal and most, if not all, inspectors
8 -- most inspectors should be able to do eight a day,
9 but not every day and not every week, and that 56
10 inspections in a week is -- is generally viewed as an
11 inspector that's, you know, running about average with
12 everybody else.

13 Q. Okay.

14 A. There will be lots of inspectors that get
15 fewer than that and there are lots of inspectors that
16 get more than that.

17 Q. So, most inspectors, they work seven days a
18 week when they're deployed?

19 A. You know, I don't know that.

20 Q. Is there a requirement that they work seven
21 days a week?

22 A. I don't believe there is a requirement.

Douglas Frost

Page 72

1 Q. Is there an expectation?

2 A. There could be an expectation. There's an
3 expectation that they do 56 inspections, but, again, if
4 somebody is doing 16 a day, they'll do it in half the
5 amount of time.

6 Q. Now, are there any rules regarding inspector
7 attire, what they wear or what they can't wear?

8 A. Well, they're not rules.

9 Q. Are they guidelines?

10 A. They're -- no, they're more expectations.
11 FEMA -- FEMA has indicated that we want or they want
12 our independent contractor inspectors to be dressed
13 nicely. Now, what constitutes nicely is one opinion
14 to the next, but they say, like, no cutoff shirts and
15 you shouldn't wear frayed, you know, old ratty clothes.

16 And the reason for that is that these victims,
17 -- this may be the first person that's knocked on their
18 door to provide them instance and so, you know, we want
19 to try to present a professional appearance at the
20 request of FEMA and, you know, in PaRR support staff,
21 we want to try to be the most professional we can at
22 this response.

Douglas Frost

Page 73

1 Q. Now, with respect to the time an inspection
2 takes, is there an expectation or a rule or a guideline
3 for that?

4 A. Well, there's a -- there's some history in it.
5 It's not a guideline. Generally it's expected that an
6 inspection will take 30 to 45 minutes. Some can be
7 done faster and some take longer, but if you, you know,
8 generally somewhere between a half an hour and 45
9 minutes.

10 Q. Now, there is certain information that is
11 required to be collected during an inspection; is that
12 correct?

13 A. That is correct.

14 Q. And that is -- that comes from FEMA?

15 A. Yes.

16 Q. Does it come at all from PaRR?

17 A. No. We're just there to pass the guidelines,
18 the basic requirements of the inspection down to the
19 inspector.

20 Q. And all the collected information goes into
21 the computer that's passed on to FEMA, correct?

22 A. Not all the information.

Douglas Frost

Page 77

1 producing high quality inspectors.

2 Q. Understood. Now, this FEMA-issued computer
3 to the inspector, is the inspector allowed to give that
4 to someone else to do the inspection?

5 A. No.

6 Q. And the inspectors have their work checked by
7 way of some quality controls? Certain number of their
8 inspections are checked? Yes?

9 A. Yes, that's correct.

10 Q. And they're checked for compliance with the
11 guidelines and completeness, I gather?

12 A. That would be correct. Call them quality
13 control. Someone comes behind them on a -- on a more
14 or less random basis. Although we have a requirement
15 to do a quality control inspection, a certain number
16 for each inspector.

17 Q. And the quality control guys are seasoned
18 inspectors that really get it?

19 A. That -- that would be correct, yes.

20 Q. Now, the inspector's work doesn't -- is not
21 limited to just doing the inspection, correct? There
22 are other components of the inspector's work?

Douglas Frost

Page 79

1 Q. Right, but that's part of their job?

2 A. But they go somewhere and communicate their
3 inspections when they're -- when they're complete.

4 Q. And that's part of their job as well?

5 A. Yes, uh-huh.

6 Q. And of course getting, you know, to the house
7 that they're inspecting, that's part of their job?

8 A. That is.

9 Q. Okay. Now, with respect to -- and, again,
10 very generally, the \$50 an hour fee that they get, do
11 you have a breakdown for what that is compensation for?

12 A. Sure.

13 Q. And does it include overtime?

14 A. It does.

15 Q. Okay.

16 A. In fact, inspectors have had access to that.
17 It's one of our policies. P001. It's been provided
18 to the inspectors --

19 Q. So --

20 A. -- and spells out exactly how that -- that per
21 inspection rate was derived.

22 Q. So PaRR makes part of the fee the overtime

Douglas Frost

Page 80

1 that they may or may not work?

2 A. Yes. There's --

3 Q. So, in a sense, PaRR anticipates that the
4 inspector will work overtime and they want to
5 compensate them for that in part of the fee?

6 A. Yeah. That's correct and it's fairly
7 healthy. Thirty hours a week of overtime. It's
8 built into the rate, and it meets the Service Contract
9 Act requirements, which was a requirement of the
10 contract.

11 Q. Well, what about -- well, let me just ask you.
12 If you had to break down that fee, it includes making
13 your appointments, traveling, overtime, downloading,
14 uploading, doing the inspection, all that sort of
15 thing. Have I missed anything?

16 A. It seems complete, but . . .

17 Q. Now, this PaRR software that reviews the
18 inspections, that exists, right?

19 A. Yeah. Error correcting software.

20 Q. Error correcting software?

21 A. Uh-huh.

22 Q. ECS. I mean, is that --

Douglas Frost

Page 116

1 answered.

2 MR. KINNAN: Again, it's foundation.

3 We can ask it again in a different place and I'm just
4 going to kind of build on it a little bit.

5 MR. SAYERS: Well, that precise question
6 has been asked actually several times and it's been
7 answered several times. Hence the objection.

8 BY MR. KINNAN:

9 Q. Go ahead.

10 A. We have -- again, we have training that's
11 provided by our recruiter trainers that are given,
12 PowerPoint slide presentations.

13 Q. Okay.

14 A. Much of it is in here.

15 Q. Okay. All I'm getting at -- so I was just
16 going to do a little foundation. Yes, we have the
17 standardized training. We've been all over. Don't
18 have to go all it again.

19 But now the question is: Is there advanced
20 training so that these inspectors get even better
21 training to follow these guidelines?

22 A. Yes, there is advanced training.

Douglas Frost

Page 118

1 A. No. You get more inspections based upon being
2 a high producer.

3 Q. Okay.

4 A. And less inspections if you're not able to
5 keep up.

6 Q. But the detail is just with respect to the
7 FEMA guidelines and making sure you understand them and
8 follow them?

9 A. Well, I'm not sure I understand the follow-up
10 part of that question.

11 Q. Well, you said it's just more -- the advanced
12 training, just like it says, is it's more advanced,
13 it's more detailed. I'm just making the general
14 statement. It must be more detailed in terms of
15 understanding the FEMA guidelines for doing the
16 inspections?

17 A. That would be correct.

18 Q. All right. What are -- if you know, what are
19 addendum? They use that word for, you know --

20 A. Yeah.

21 Q. -- guidelines?

22 A. They have addendums. They have lots of

Douglas Frost

Page 127

1 Q. All right. Now, in connection with Mr.
2 Houston, was he in any sense what Mr. Kinnan has
3 referred to as a newbie, or was he one of those
4 seasoned guys that really get it, one of the QC-rated
5 inspectors? Could you tell us that?

6 A. Yeah. Mr. Houston was actually one of our --
7 one of our top performers and someone that was in our
8 top probably one or two percent of inspectors.

9 Q. Was he in the top one or two percent of
10 earners in, say, 2005 when he testified that he earned
11 over \$118,000?

12 A. Yes, he was one of our top earners.

13 Q. And what percentile would you say he is? The
14 top 25 percent, the top --

15 A. No, he was in the top one or two percent of
16 the earners.

17 Q. All right. So, there are 98 percent of people
18 who worked as independent contractor inspectors who
19 earned less than he did?

20 A. That would be correct.

21 Q. You mentioned QC inspections, quality control
22 inspections. Do you know whether Mr. Houston actually

Douglas Frost

Page 128

1 was one of those few inspectors that performed quality
2 control inspections in, say, 2005/2006?

3 A. He did perform quality control inspections.

4 Q. Does the fact that he was selected to perform
5 quality control inspections distinguish him from other
6 inspectors in any fashion who had not been so selected?

7 MR. KINNAN: Vague and ambiguous.
8 Overbroad.

9 BY MR. SAYERS:

10 Q. You can go ahead and answer the question.

11 A. We select our top candidates to be quality
12 control inspectors.

13 Q. Before filing his complaint, do you know
14 whether Mr. Houston ever informed PaRR that he believed
15 that he should be classified as an employee and be paid
16 overtime wages as opposed to an independent contractor
17 paid on a per inspection basis?

18 MR. KINNAN: Beyond the scope.

19 THE WITNESS: I've never heard that from
20 anybody, including Mr. Houston.

21 BY MR. SAYERS:

22 Q. You gave some statistics about whether all

Douglas Frost

Page 129

1 inspectors who accepted requests for deployment
2 actually did so -- sorry -- who were -- strike that
3 ridiculous question.

4 You gave some testimony about the percentage
5 of inspectors offered for deployment who actually
6 accepted that. Let me just ask a couple of questions
7 about that.

8 First, is there any requirement on the part of
9 people who sign up as independent contractors to accept
10 deployments, or is it a matter of independent choice?

11 A. There's no requirement. They -- sometimes
12 they go. Sometimes they don't.

13 Q. When an inspector is out in the field, is
14 there any PaRR representative or anyone else looking
15 over the shoulder of that independent contractor to see
16 what they're doing?

17 A. No. They independently conduct their
18 inspections.

19 Q. You gave some -- you were asked some questions
20 by Mr. Kinnan about whether time spent making
21 appointments or time spent traveling was included in
22 the per inspection rate. Was it or wasn't it?

Douglas Frost

Page 130

1 A. Well, the inspector's time out in the field to
2 arrange for executing inspections is compensated for in
3 the per inspection piece rate, which was computed based
4 on the Service Contract Act rate.

5 Q. Okay. And that includes overtime as well?

6 A. A fairly substantial amount of overtime.

7 Q. Okay. You also gave some testimony about the
8 differences inspector by inspector and the number of
9 assignments given to them. Could you elaborate on
10 that a bit?

11 I mean, is it the fact that each inspector is
12 given the same number of inspections to do, or are
13 there different numbers of inspections assigned to
14 different inspectors based upon their track record, for
15 example?

16 MR. KINNAN: Question assumes a fact not
17 in evidence. Overbroad.

18 BY MR. SAYERS:

19 Q. You can answer the question, sir.

20 A. The inspection limits which we call inspection
21 limits are set based upon the inspector's proven or not
22 proven ability to execute either a large volume of

Douglas Frost

Page 131

1 inspections or a small volume of inspections. The
2 ones that can execute more inspections per week per day
3 are given more inspections to execute.

4 Q. So work flows to those most capable of
5 performing them?

6 A. Yes, absolutely.

7 Q. And isn't it a fact that Mr. Houston had
8 demonstrated that he was very capable of performing a
9 large number of inspections?

10 A. Mr. Houston was one of our top inspectors,
11 producers.

12 MR. SAYERS: Thank you. I don't believe
13 I have any further questions.

14 MS. MELLK: No further questions.

15 MR. KINNAN: I have a couple of
16 follow-ups.

17 FURTHER EXAMINATION BY COUNSEL FOR THE PLAINTIFFS
18 BY MR. KINNAN:

19 Q. I just want to be clear. With respect to Mr.
20 Houston, when you say, "he was one of our top
21 inspectors," you mean he was one of our -- one of
22 PaRR's best inspectors in terms of efficiency and

Douglas Frost

Page 132

1 quality and numbers and all that good stuff?

2 A. Yes.

3 Q. All right. Very well. Now, PaRR has always
4 done a background check on its inspectors, correct?

5 A. Correct.

6 Q. Now, in 2007, there's a special Homeland
7 Security added layer. I understand that, right?

8 Yes?

9 A. Yes.

10 Q. Now, did they do a background check on
11 Mr. Houston?

12 A. They?

13 Q. PaRR.

14 A. PaRR, yes.

15 Q. A criminal background check?

16 A. Yes.

17 Q. Okay. Now, did you know that the felony
18 conviction was in 1988?

19 A. What?

20 Q. Mr. Houston's.

21 A. No.

22 Q. Did you know --

Douglas Frost

Page 141

CERTIFICATE OF NOTARY PUBLIC

I, Denise Dobner Vickery, the officer before whom
the foregoing deposition was taken, do hereby certify
that the witness whose testimony appears in the
foregoing deposition was duly sworn by me; that the
testimony of said witness was taken by me in stenotypy
and thereafter reduced to typewriting under my
direction; that said deposition is a true record of the
testimony given by said witness; that I am neither
counsel for, related to, nor employed by any of the
parties to the action in which this deposition was
taken; and, further, that I am not a relative or
employee of any attorney or counsel employed by the
parties hereto, nor financially or otherwise interested
in the outcome of this action.

Notary Public in and for the
Commonwealth of Virginia

My Commission expires:
March 31, 2010
ID - 126014

Esquire Deposition Services, LLC

DC 1-800-441-3376

MD 1-800-539-6398

VA 1-800-752-8979

Douglas Frost

Page 142

1 October 22, 2008

2 MR. DOUGLAS D. FROST
3 c/o Stephen M. Sayers, Esq.
4 Hunton & Williams
1751 Pinnacle Drive, Suite 1700
McLean, VA 22102

5 Re: RONALD E. HOUSTON, et al. V. URS CORPORATION,
et al.

6 DEPOSITION OF DOUGLAS D. FROST, PE

7 Dear Mr. Sayers:

8 Enclosed for review is a copy of the above
9 referenced transcript. Please have the deponent read
the copy of the transcript and sign the enclosed
10 certificate of deponent. Also enclosed is an errata
sheet which the deponent should use to note corrections
11 and the reasons for such corrections. This and any
additional errata sheets should be signed and dated by
the deponent.

12
13 The deponent has thirty days in which to read and
sign the transcript. After the deponent has reviewed
the copy of the transcript, please return the
14 certificate of deponent and any errata sheets to
Richard P. Kinnan, Esq., Engstrom, Lipscomb & Lack,
15 10100 Santa Monica Boulevard, 12th Floor, Los Angeles,
CA 90067-4107.

16 Sincerely,
17

18

19 Denise Dobner Vickery, RMR, CRR
20

21

22

Esquire Deposition Services, LLC

DC 1-800-441-3376

MD 1-800-539-6398

VA 1-800-752-8979

